AUDITOR'S REPORT

Audit Completion Date: 03-03-2020.

The Secretary
Power Division,
Ministry of Power, Energy and Mineral Resources,
Bangladesh Secretariat, Dhaka.

I. We have audited the accompanying Financial Statement of the “Technical Assistance for Implementation of Bangladesh Power Sector Reform (Phase-II) Project” (Rural Electrification Renewable Energy Development-II (RERED-II) Project) financed by IDA Credit No.5158-BD and GOB as of 30th June 2019 and for the year then ended. The preparation of the Financial Statement is the responsibility of the management. Our responsibility is to express an opinion on the Financial Statement based on our audit.

II. We conducted our audit in accordance with International Standards on Auditing and practices of INTOSAI/SAI, BD Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

III. Except in our opinion, the Financial Statement gives a fair view in all material aspect of the financial position of the “Technical Assistance for Implementation of Bangladesh Power Sector Reform (Phase-II) Project” as of 30th June, 2019 and the results of its operations and cash flows for the year then ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.

IV. Opinion Status: Unqualified.

(Md. Tafazzal Hossain)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 88-02-9361788.
Financial Statement
## Technical Assistance for Implementation of Bangladesh Power Sector Reforms (Phase-II)
### Donor Fund Project Name: Rural Electrification Renewable Energy Development-II
### Project Financial Statement

**Resources** | Notes | Cumulative Prior Period | Current Period | Cumulative Current Period
---|---|---|---|---
Government of Bangladesh | 1 | 1,456.62 | 225.69 | 1,682.31
Loan from Development Partner DPA Cr.3913-BD | 2 | 447.23 | - | 447.23
Loan from Development Partner RPA Cr.-3913-BD | 3 | 1,584.11 | - | 1,584.11
Others Resources | 4 | - | - | -
Cash Opening balance Cr.-5158-BD | 5 | - | 177.13 | -
Loan from Development Partner RPA Cr.-5158-BD | 6 | 7,932.31 | 1,496.98 | 9,429.29
**Total Resources** | 7 | 11,420.27 | 1,899.80 | 13,142.94

**Expenditure and Cash:**

1. **Officers Salary (Gross Salary)** | 7 | 436.42 | 93.77 | 530.19
2. **Staff Salary** | - | 62.69 | - | 62.69
3. **Bonus** | - | 57.30 | - | 57.30
4. **Travels Transport** | - | 6.87 | 1.00 | 7.87
5. **Others Organisation** | - | 286.20 | 52.49 | 338.69
6. **Labour Wages** | - | 4.80 | - | 4.80
7. **Office Rent** | - | 59.12 | - | 59.12
8. **Internet** | - | 1.42 | - | 1.42
9. **Postage & Telegrame** | - | 0.91 | 0.09 | 1.00
10. **Telephone** | - | 22.48 | 2.08 | 24.56
11. **Gas** | - | 46.86 | 15.61 | 62.47
12. **Stationery** | - | 117.69 | 6.50 | 124.19
13. **Printing & Binding** | - | 37.92 | 2.99 | 40.91
14. **Books & Periodicals** | - | 0.25 | - | 0.25
15. **Jatasay** | - | 1.39 | 0.25 | 1.64
16. **Advertisements** | - | 77.01 | 3.88 | 80.89
17. **Entertainment** | - | 15.49 | 3.73 | 19.22
18. **Honourariums** | - | 36.05 | 3.38 | 39.43
19. **Computer Instruments** | - | 60.57 | 8.00 | 68.67
20. **Consultancy** | RPA | 7,018.87 | 1,133.66 | 8,152.53
21. **Consultancy** | DPA | 121.79 | - | 121.79
22. **Others** | - | 9.65 | 3.00 | 12.65
23. **Repai. & Maint. Of Vehicles** | - | 86.27 | 15.24 | 101.51
24. **Computer Repairs** | - | - | 1.00 | 1.00
25. **Com. & Equipment** | - | 25.38 | 3.99 | 29.37
26. **Vehicles (Jeep)** | RPA | 72.26 | - | 72.26
27. **Project Multimedia** | RPA | 8.49 | - | 8.49
28. **Computer & Machinaries** | RPA | 23.36 | - | 23.36
29. **Com. & Software** | RPA | 34.20 | - | 34.20
30. **Office Instruments** | RPA | 5.46 | - | 5.46
31. **Furnitures** | GOB | 4.05 | 0.49 | 4.54
32. **Interface Meter** | DPA | 1.61 | - | 1.61
33. **Training** | RPA | 325.44 | - | 325.44
34. **Charter & Maintenance** | RPA | 1,499.34 | 222.32 | 1,721.66
35. **Incr. Operating Cost** | RPA | 675.53 | 128.67 | 804.20
**Total Expenditure** | - | 11,243.14 | 1,710.34 | 12,953.48

**Cash Closing Balance**

- - - -

**Op. Ac./RPA/Cr.-5158-BD**

- 177.13 189.46 189.46

**Operating Account (GOB)**

- - - -

**Total Expenditure and Cash**

- 11,420.27 1,899.80 13,142.94
1. GOVERNMENT OF BANGLADESH

Fund are allocated by the Government of Bangladesh to cover GOB’S share of eligible project expenditures, as specified in the Project Performa and Annual Development Programme. GOB contributions to the project since inception are as follows (In Lakh Taka).

<table>
<thead>
<tr>
<th></th>
<th>Inception to 30th June, 2018</th>
<th>For the year 2018 - 2019</th>
<th>Inception to 30th June, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement by GOB</td>
<td>1735.00</td>
<td>225.69</td>
<td>1960.69</td>
</tr>
<tr>
<td>Less: Refund to GOB</td>
<td>278.38</td>
<td>10.31</td>
<td>288.69</td>
</tr>
<tr>
<td>Total</td>
<td>1456.62</td>
<td>236.00</td>
<td>2249.38</td>
</tr>
</tbody>
</table>

2. LOAN FROM DEVELOPMENT PARTNER

The IDA has provided funds to the Project to cover it’s share of eligible Project expenditures. These credit funds, which must be repaid to IDA after the conclusion of the project. The IDA funds have been drawn by the project in accordance with the following withdrawal Procedures (In lakh Taka).

<table>
<thead>
<tr>
<th></th>
<th>Inception to 30th June, 2018</th>
<th>For the year 2018 - 2019</th>
<th>Inception to 30th June, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Deposit (Advance) Cr.3913-BD</td>
<td>337.19</td>
<td>-</td>
<td>337.19</td>
</tr>
<tr>
<td>DPA (Direct Payment) Cr.3913-BD</td>
<td>447.23</td>
<td>-</td>
<td>447.23</td>
</tr>
<tr>
<td>RPA (SOE Procedure) Cr.3913-BD</td>
<td>444.03</td>
<td>-</td>
<td>444.03</td>
</tr>
<tr>
<td>RPA (Non SOE Procedure) Cr.3913-BD</td>
<td>802.89</td>
<td>-</td>
<td>802.89</td>
</tr>
<tr>
<td>Initial Deposit (Advance) Cr.5158-BD</td>
<td>500.00</td>
<td>-</td>
<td>500.00</td>
</tr>
<tr>
<td>RPA (SOE Procedure) Cr.5158-BD</td>
<td>5038.86</td>
<td>1320.96</td>
<td>6354.82</td>
</tr>
<tr>
<td>RPA (Non SOE Procedure) Cr.5158-BD</td>
<td>2398.45</td>
<td>176.02</td>
<td>2574.47</td>
</tr>
<tr>
<td>Others (Cr.5158-BD)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>9963.65</td>
<td>1496.98</td>
<td>11460.63</td>
</tr>
</tbody>
</table>

3. Other Resources

Other resources consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Inception to 30th June, 2018</th>
<th>For the year 2018 - 2019</th>
<th>Inception to 30th June, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others (Cr.5158-BD)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

4. CASH

The Project Maintains two bank account, one of Contasa Account, which is kept at Agrani Bank, Remna Corporate Branch to hold funds advanced by IDA, and another operating Accounts for GOB Fund, which is kept at a Sonali Bank, Remna Corporate Branch. Year end Closing balance was as follows (In lakh Taka).

<table>
<thead>
<tr>
<th></th>
<th>Inception to 30th June, 2018</th>
<th>For the year 2018 - 2019</th>
<th>Inception to 30th June, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Account (RPA) (Cr.5158-BD)</td>
<td>177.13</td>
<td>-</td>
<td>189.46</td>
</tr>
<tr>
<td>Operating (GOB)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others (Bank Interest) (Cr.5158-BD)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>177.13</td>
<td>-</td>
<td>189.46</td>
</tr>
</tbody>
</table>
AUDIT OPINION ON SOE

We have audited the Statement of Expenditure (SOE) of the “Technical Assistance for Implementation of Bangladesh Power Sector Reform (Phase-II) Project” financed by IDA Credit No.5158-BD for the year ended on 30th June 2019 submitted to the International Development Association (IDA) for reimbursement of expenditure in accordance with the IDA Credit Agreement (No 5158-BD) dated 23 October, 2012.

The audit was conducted following International Standards on Auditing and practices of INTOSAI/SAI, BD. Accordingly, it included such tests of the accounting records and supporting documentation, verification of assets, review of systems of internal control, so far exists and adopting necessary auditing procedures that we considered essential under the circumstances.

WITHDRAWAL/ SOE PARTICULARS

The particulars of withdrawal on the basis of Statement of Expenditure (SOE) as submitted to the audit party are shown in a statement enclosed herewith (Detailed at Annexed SOE, Page No-66)

INTERNAL CONTROL

01. The project is being implemented by the officials who were recruited directly and deputed from PDB & REB and also appointed through outsourcing by the project authority as per TAPP.

02. The project expenditure were executed as per PPR-2008, Delegation of Financial Power and IDA Procurement guideline.

03. Expenditures were incurred by the project authority after obtaining sanction for the competent authority and following rules and regulations both GOB and IDA, except some lapses which are mentioned in the section-II of this report.

04. There is no internal auditing system in this project.

05. As per TAPP office equipment’s and other assets were procured for the project activities.

OPINION

In our opinion, except as discussed in the Management Letter, the SOE can be relied upon to support the applications for Loan disbursement by the IDA for the expenditure incurred for the purposes of the project as specified in the particulars of withdrawal applications.

Opinion Status: Unqualified.

(Md. Tafazzal Hossain )
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 88-02-9361788.
Auditor’s Report on Special Account (CONTASA)

I. We have audited the special account statement of the “Technical Assistance for Implementation of Bangladesh Power Sector Reform (Phase-II) Project” for the year ended 30th June 2019 under provision of IDA credit no.5158-BD, dated 23 October, 2012.

II. Our audit was carried out following International Auditing Guidelines. Accordingly, our audit included such review of system of Internal Control, test of the accounting records & supporting documentation, verification of accounts balances and other auditing procedures that we considered necessary under the circumstances.

III. The accompanying Special Account Statement was prepared on the basis of cash deposits & withdrawals for purpose of complying with the above Credit Agreement. (Annexure-E).

IV. In our opinion, the receipts are properly accounted for and withdrawals were made for the purpose of the project in accordance with the credit agreement and the above Special Account Statement gives a true and fair view of the beginning & ending balances and the account activity for the year ended 30th June, 2019 on the basis of cash deposits & withdrawals.

V. Opinion Status: Unqualified.

(Md. Tafazzal Hossain)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 88-02-9361788.